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Viewing cable 08MADRID518, WHA ASSISTANT SECRETARY SHANNON'S VISIT TO MADRID,

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Reference ID	Created	Released	Classification	Origin
08MADRID518	2008-05-09 16:22	2011-08-30 01:44	CONFIDENTIAL	Embassy Madrid

Appears in these articles:

<http://www.lanacion.com.ar/1360470-cuatro-paises-denunciaron-corrucion-en-el-gobierno>

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C O N F I D E N T I A L MADRID 000518

SIPDIS

E.O. 12958: DECL: 05/05/2018
TAGS: [PREL](#) [KSUM](#) [AR](#) [BL](#) [CO](#) [CU](#) [PE](#) [SP](#)
SUBJECT: WHA ASSISTANT SECRETARY SHANNON'S VISIT TO MADRID,

Classified By: CHARGE D'AFFAIRES HUGO LLORENS, REASONS 1.4(B) AND (D).

¶11. (C) WHA Assistant Secretary Tom Shannon visited Madrid April 30-May 1, 2008. He met with Secretary General of the Presidency Bernardino Leon and former President Jose Maria Aznar. He also attended a lunch in his honor hosted by Charge d' Affaires Hugo Llorens with Spanish private sector, media, and government experts on Latin America and gave interviews to daily El Pais and with Antena 3 TV. Leon stressed the need for the U.S. and Spain to work together in Latin America. Aznar emphasized the importance of Colombia and Mexico and urged the U.S. to maintain strong support for both. Both Leon and Aznar expressed concerns about Argentina.

Leon Stresses Desire to Work with U.S. in Latin America

¶12. (C) A/S Shannon and CDA Llorens met April 30 with newly installed Secretary General of the Presidency (and former MFA number two) Bernardino Leon. A/S Shannon told Leon the U.S. wanted to maintain continuity in policy towards Latin America through the next Administration. He emphasized the importance of strategic partners such as Spain, and thanked Leon for the effort he and MFA Secretary of State Trinidad Jimenez had made to work with the U.S. Leon said President Zapatero would need to make Latin America a foreign policy priority and work it intensively. He suggested this was an area where Spain and the U.S. should coordinate closely and at the most senior levels. He said the strategic effort should be to work closely with countries such as Brazil, Chile, Colombia, and Mexico. Looking ahead to the new Zapatero administration, Leon predicted the opposition Popular Party (PP) might be more conciliatory than in the past. He said Zapatero would put more emphasis on foreign policy, and he stressed that good relations with the U.S. would be a priority. Leon mentioned he had met recently with foreign policy advisors to all three U.S. Presidential candidates. He suggested both governments should begin thinking about a meeting between Presidents Bush and Zapatero in September at the UNGA. Leon noted that this meeting with A/S Shannon was the first he had held with anyone outside the Spanish Government since assuming his new post.

¶13. (C) A/S Shannon explained the U.S. was looking forward to two key events: the OAS General Assembly (OASGA) in Medellin in June 2008 where the Deputy Secretary would lead the U.S. delegation and the Summit of the Americas in Trinidad and Tobago in April 2009. He noted Mexico and others were working to reduce tensions between Colombia and Ecuador in advance of the OASGA as well as to avoid disruptions by Venezuelan President Chavez. A/S Shannon said the Summit of the Americas would be the new U.S. President's first multilateral event with Latin America, and a major goal would be to put the summit process back on a positive track after the Mar de Plata experience. He indicated the Administration would continue to push its free trade agenda.

¶14. (C) Leon said Argentina was very worrisome. Spanish companies in Argentina were concerned by the populist tone of the government, political polarization, and the level of corruption. There were "complicated" people and movements around the presidency. He suggested some lived by the old adage that "a politician who is poor is a poor politician." He said there was much work for Spain and the U.S. to do with respect to Argentina and complemented President Bush for setting a positive tone with President Cristina Fernandez Kirchner. A/S Shannon mentioned that he had recently visited Argentina and that in June a USG team would visit Buenos Aires to reinitiate the lapsed high-level dialogue. The goal was to define the bilateral relationship by shared interests rather than by differences. He predicted strife between various Argentine sectors was just beginning; the agricultural strike was merely the first round. He said the Peronist tendency once a crisis was past was to look for wealth and figure out how to spend it. Ironically, the more complicated internal situation might lead the government to

seek to mend fences internationally. He said the costs of too close association with Chavez were now clear to the GOA, as evidenced by Chavez's recent decision to nationalize the Argentine firm SIDOR.

¶15. (C) Leon said Spain hoped to use the EU-Latin America and the Caribbean summit in Lima in May to seek a trade pact where those Latin American countries who wanted in could be in and those who wanted out could stay out. The goal was to keep a country like Bolivia or Ecuador from dragging down the others. A/S Shannon noted this might help with the U.S. Congress on the free trade issue.

¶16. (C) Leon said a post-Uribe Colombia raised concerns, although there were sensible people on the left (e.g., Polo Democratico leader Gaviria). He noted that post-Uribe, especially if the situation in Peru deteriorated, the Andean region would be even more problematic. He said Peru was a very key country.

¶17. (C) Leon said he was worried about Bolivia and the threat to Spanish business interests there. He predicted Morales would lose the May 4 referendum. A/S Shannon said the U.S. was looking past May 4 and talking to the group of friends (Argentina, Brazil, and Colombia) as well as the Vatican. He predicted the referendum results would provide greater legitimacy to the state governors and blunt the GOB's criticism of the opposition and the U.S. (he noted wryly that the GOB had blasted the U.S. Ambassador at the same time the Bolivian FM was in the U.S. seeking USG assistance). A/S Shannon said the governors needed to exercise caution and not be overly aggressive. The U.S. message was that we supported dialogue but not secession. He doubted secession would come to pass. He said the U.S. was also talking to the armed forces and urging them to work within the constitution. He noted the military understood the risk to it as an institution. Leon asked if the GOB was arming civilians. A/S Shannon replied that some such activity was possible, but he doubted it was on a large scale. He said some Morales advisors might be pushing confrontation in order to paint the provinces as rebellious, but the U.S. message was that the provinces had to work within the confines of the law. He noted the Bolivian FM was in Washington recently and tried without success to interest the OAS Permanent Council in a resolution condemning the provinces. Leon said Spain's message was complimentary: territorial integrity but respect for the provinces as political units.

¶18. (C) A/S Shannon noted New Mexico Governor Richardson had recently visited Caracas in connection with the three Americans in the hands of the FARC. Chavez told him the U.S. should help Morales and work with the governors to make sure Morales was not backed into a corner. This was unusual given Venezuela had in the past urged on Morales. It appeared Chavez might be genuinely worried about the turn matters could take in Bolivia. Leon said he too was nervous about the situation. He noted Spain would regard a deployment of troops or police to the oil installations as a very bad sign.

¶19. (C) Leon said it was essential that the next Iberoamerican summit (El Salvador in November 2008) move beyond the famous incident in Chile between King Juan Carlos and Chavez. He mentioned Zapatero would see Chavez in Lima to try and set the stage for a more positive summit. Regardless, there were no guarantees someone would not seek confrontation in El Salvador.

Aznar Looks to Colombia and Mexico

¶10. (C) A/S Shannon and CDA Llorens also met April 30 with former President Jose Maria Aznar. Aznar said he was worried about Latin America. He described what he called an anti-NAFTA, anti-Colombia FTA theme in the U.S. Presidential primaries. At the same time, he criticized an excessive emphasis on free trade and open markets in dealing with Latin

America. Both were fundamental, but the U.S. also needed to focus on how it could isolate Chavez and also should keep a wary eye on Chinese and Muslim influence in Venezuela. He argued the U.S. and the EU needed to articulate a policy more understandable to the common people and more comprehensive. A/S Shannon agreed on the need to support civil society and NGOs in Latin America. He said many people in the U.S. had a

view of Latin America frozen in the 1990s, but the region was changing rapidly. The U.S. and Spain should be looking for catalytic ways of supporting democratic governance, civil society, and economic development. He noted that in the past the U.S. had sometimes ignored Latin America until a crisis arose; in contrast, President Bush had a record of solid engagement in the region.

¶11. (C) Aznar mentioned he had spoken with Mexican President Calderon before the New Orleans summit and Calderon had expressed concern about waning Congressional support for NAFTA and the Merida initiative. Aznar said failure of the Colombia FTA would be catastrophic. He said Uribe was the best friend the U.S. had in Latin America, and the end of the FARC was in sight. He noted both Chavez and Ecuadorian President Correa were implicated by information obtained as a result of the GOC operation against Raul Reyes. It was more important now than ever for the U.S. to support Colombia. Aznar said Colombia and Mexico were the key countries in the region. Aznar said the U.S. and Spain should be working together to get Mexico to be more active regionally. Although Brazilian regional engagement was positive, it needed to be complemented by more Mexican engagement. He urged the U.S. to continue supporting both Colombia and Mexico, saying that if Calderon and Uribe were successful, it would shift the entire region in a positive direction. A/S Shannon briefed Aznar on the Administration's continuing efforts to win approval for the FTA with Colombia as well as the Merida initiative, which represented a very constructive U.S. response to the concerns of Mexico and Central America regarding security and law enforcement. He also briefed Aznar on the New Orleans meetings and the emphasis Presidents Bush and Calderon and PM Harper put on a common vision for trade, security, and border management.

¶12. (C) Despite his worries for the region, Aznar noted many countries were doing well. He cited Chile, Panama, and Peru. Aznar said the electoral results in Paraguay were a good step; the ideological leanings of the new government would not make much of a difference. Aznar said Brazil appeared to have put populism firmly behind it. He described Lula as a mainstream figure, albeit one who presented a friendlier face to the disadvantaged. He urged that the U.S. and Spain support good governance regardless of whether it came from the left or the right.

¶13. (C) Aznar said the situation in Argentina was very complicated. They appeared to be reverting to the vicious cycles of Peronism in which sectors with money were shaken down by the government. One interesting sign was the emergence of a more critical middle class, but Cristina Fernandez Kirchner was a disappointment. He had once hoped she would conduct a more sophisticated foreign policy, but she appeared now to be a puppet of her husband. A/S Shannon said Argentina was underperforming in terms of attracting foreign investment and was conducting an erroneous foreign policy. The last six years had seen economic improvement, but the Peronists again seemed to be looking for the money. Aznar agreed the growth had been notable, sustained in large part by favorable international commodity prices, but he said the recovery remained fragile. The GOA lacked credibility with the international business community, and the Argentine banking sector was weak. A/S Shannon hoped Argentina had learned a lesson from Venezuela's nationalization of the steel company SIDOR. Playing with Chavez was a good way to get burned. Nevertheless, he noted the GOA, for all its faults, was not in the same camp as Chavez. A/S Shannon and Aznar agreed it was important for the U.S. and Spain to remain actively engaged with the GOA and maintain a dialogue with it. A/S Shannon noted his recent visit there and the

resumption of a regular, formal dialogue between the USG and GOA. Aznar applauded the initiative.

¶14. (C) Aznar praised President Bush's strong stance in support of a democratic transition in Cuba and his most recent speech on the subject. He said we needed to monitor carefully the steps Raul Castro was taking, some of which were in the right direction. Nevertheless, both the U.S. and the EU needed to stay on the record as promoting democratic transition and openly supporting civil society and the

dissidents. A/S Shannon noted the GOC was attempting to isolate the U.S. Aznar said anything the U.S., EU, and Spain could do to publicize the truth on Cuba would help. He cited the recent crackdown on the Damas de Blanco, noting the news in Cuba was more than just cell phones and computers. The public needed to know what was really happening. He said that was the way to keep the pressure on Raul Castro, whom he said should not be allowed to consolidate power. Fidel would continue to be an immobilizing element as long as he lived, but when he died, it might set in motion events Raul could not control.

Experts' Lunch

¶15. (C) Lunch at the CDA's residence brought together a variety of Latin America experts: Roman Escolano of BBVA; Jaime Malet of the Amcham; Alberto Carnero of FAES; Asis Martin de Cabiedes of Europa Press, Juan Luis Cebrian of Grupo Prisa, and Eduardo San Martin of ABC; and Javier Sandomingo, MFA Director General for Iberoamerica. The discussion was off the record and vigorous. Topics included Cuba, Venezuela, Mexico, the Colombia FTA, and Argentina. Sandomingo made a point of saying during the lunch and again afterwards in private that Spain would strongly prefer the U.S. did not try to split EU opinion on Cuba. A/S Shannon emphasized the need for the international community to work together for meaningful democratic change and to continue to reach out to civil society and the dissidents. Several of the guests unconsciously echoed Leon's and Aznar's concerns about Argentina. Views on Venezuela were negative, especially on the economic situation. A/S Shannon used the opportunity to describe the Merida initiative, and he heard strong expressions of support for a U.S. FTA with Colombia.

Comment

¶16. (C) We were especially struck by the emphasis Bernardino Leon laid on cooperation with the U.S. in Latin America. His move from MFA to the Presidency is rumored to have been prompted by Zapatero's dissatisfaction with the functioning of his first-term foreign policy apparatus. Reportedly his "odd man out" experience at the NATO Summit in Bucharest was the last straw. Leon is a credible player on foreign affairs and well-disposed towards the U.S. Having him in a key position at the Presidency bodes well as does the resonance of Spanish views with our own on most things Latin American. Cuba will continue to be the exception, at least when it comes to tactics, but on a great many other important issues in the Western Hemisphere we believe Spain is genuinely interested in working with the U.S. and highly values A/S Shannon's continuing attention. Aznar remains well-briefed on Latin America, knows the players, and frequently travels to the region, all good reasons for U.S. officials to stay in touch with him.

Llorens

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